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Working Paper!!!

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REVIEWER:

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Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

State Department review completed

TOP SECRET

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	EASTERN EURO	OPE
4. US env	voys in Eastern Europe estimate Com	munist progress:
1A	A meeting of US Miss	sion Chiefs to Eastern Europe
	held in Paris in early conclusions:	y February reached the following
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- <u>a.</u> During the past year, the consolidation of Communist control over the East European countries has advanced extensively. The Communists have achieved conspicuous success in their anti-Church campaign, although the Church still remains the only important factor opposing Communist regimes.
- b. Each Satellite government is making a concentrated effort to improve the political reliability of its armed forces. Available evidence suggests that the steadily progressing military development of Soviet and Satellite forces is designed to build up long-term military strength rather than to support immediate hostilities.
- c. Despite the difficulties inherent in dealing with exile groups, they furnish hope to the Satellite peoples and serve as useful focal points for activities in support of freedom.
 - <u>d.</u> The USSR has made extensive progress during the past year in reorienting the Satellite economies eastward. The growing integration of the Soviet bloc as a self-sustaining economic unit raises the question whether the initiative for severing East-West economic relations does not rest with the USSR rather than with the West.

5.	Yugoslav people will resist Cominform attack;
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US Embassy Belgrade is convinced that the morale of the Yugoslav population in Macedonia, Vojvodina and all other exposed areas of Yugoslavia is high. The Embassy reports that Yugoslavs in all areas are aware of the possibility of a Cominform attack but "are not fittery." The Embassy's confidence in the reaction of the Yugoslav people is based on (a) the traditional Yugoslav hatred of Hungarians, Rumanians and Bulgarians, which was sharpened by the cruelties committed by these Satellites during the World War II occupation; (b) the gradual weakening of regional and religious animosity in

granted; (c) the personal popularity of Tito even among many bitterly opposed to Communism; and (d) the Yugoslav love of independence and willingness to fight against odds.

Yugoslavia as a result of the cultural autonomy which the regime has

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1	The Embassy also considers it possible that the Yugoslav Government would not abandon the northeastern plains if the attacking force is limited to the Satellites, without direct Soviet participation. In support of this possibility, the Embassy states that there is no evidence that the inhabitants of the Yugoslav border areas are fearful that the army would abandon them without a fight.	
i	Comment: 25X	(1
25X1	confirm the Embassy's estimate that the Yugoslav people	
	will support Tito in the event of a Satellite attack. Cominform efforts to exploit minority differences, especially in Macedonia, and to weaken Tito's	
	position internally have met with little success.	
· 6.	Soviets reportedly transferring stockpile from Czechoslovakia and Bulgaria to USSR:	
25X1A	a wave of Czech	
25X1	nationalism has prompted the USSR to order the removal of stockpiles of munitions, food, coal, oil and wood from	
	Czechoslovakia to the Soviet Union "for safekeeping."	
25X1	this has precipitated the recently rumored crisis in the Czech Government, as a result of which Soviet Deputy Foreign Minister Zorin was allegedly sent to Prague to maintain control. Zorin has reportedly ordered the arrest of President Gottwald, Prime Minister Zapotocky and others.	
25X1	the USSR has also directed	
	the removal of stockpiles of critical materials from Bulgaria to the USSR. A government crisis is similarly expected in Bulgaria.	
	Comment: Evidence of serious disturbances among Czech Communists has been noted since the end of January. There is, however, no	
1	firm indication of Soviet removals of Czech stockpiles to the USSR. 25X	(1
25X1		
25X1	there is no evidence that stockpiles have been removed from Bulgaria, although the USSR has taken steps to establish firm control over such reserves by creating a new Ministry of Supplies and Food (on 28 December)	
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and by placing at its head a Soviet-trained officer, Lt. General Hristosov.

WESTERN EUROPE

7. <u>Italian Communists losing political support:</u>

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A twenty-four hour Communist-led general strike in Reggio Emilia, postponed from 5 to 12 February, was generally a failure except in certain factories. Ostensibly called to demonstrate solidarity with workers recently dismissed and then reemployed by a local steel plant, it is more likely that the strike was planned to indicate that the Communists are

still in control of Reggio Emilia Province in spite of the recent resignations from the Party of two important Communist leaders in that region, parliamentarians Magnani and Cucchi. Meanwhile, Magnani and Cucchi have announced that they intend to organize the workers in a new Marxist organization, which will be neither "national Communist, Titoles or Trotskyite." They expect that the new group will draw both dissident Communists and factions of the Italian Socialist Party and the Socialist Unity Party.

Comment: In addition to the loss of prestige indicated by the failure of the strike, the Italian Communist Party faces increasing difficulties if the two Socialist parties and the dissident Communists unite to form a party which would represent Italian workers and fill the gap between the Christian Democrats and the Stalinist Communists. The formation of such a Marxist party favoring democratic procedures would probably attract considerable support and would therefore reduce the strength of Soviet Communism and possibly push the government into undertaking much-needed socioeconomic reform.

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